# General Assembly

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**Sixty-first session**
Agenda items 116, 117, 127 and 132

## Resolution adopted by the General Assembly

[*on the report of the Fifth Committee (A/61/980)*]

### 61/275. Terms of reference for the Independent Audit Advisory Committee and strengthening the Office of Internal Oversight Services

*The General Assembly*,

*Reaffirming* its resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999, 59/272 of 23 December 2004 and 59/287 of 13 April 2005,

*Recalling* its resolutions 41/213 of 19 December 1986, 45/248 B of 21 December 1990, 60/1 of 16 September 2005, 60/248 of 23 December 2005 and 61/245 and 61/246 of 22 December 2006,

*Having considered* the report of the Secretary-General on the updated terms of reference for the Independent Audit Advisory Committee,[1] the related report of the Advisory Committee on Administrative and Budgetary Questions,[2] the reports of the Secretary-General on strengthening of the Office of Internal Oversight Services,[3] the related report of the Advisory Committee on Administrative and Budgetary Questions[4] and the report of the Office of Internal Oversight Services on proposals for strengthening the Office,[5]

*Reaffirming* the separate and distinct roles of the internal and external oversight mechanisms,

1. *Takes note* of the reports of the Secretary-General on the updated terms of reference for the Independent Audit Advisory Committee[1] and on strengthening of the Office of Internal Oversight Services;[3]

2. *Reaffirms* its oversight role, as well as the role of the Fifth Committee in administrative and budgetary matters;

3. *Endorses* the conclusions and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions on the

[1] A/61/812.
[2] A/61/825.
[3] A/61/610 and A/61/810.
[4] A/61/880.
[5] A/60/901.

updated terms of reference for the Independent Audit Advisory Committee[2] and on strengthening the Office of Internal Oversight Services,[4] subject to the provisions of the present resolution;

4. *Emphasizes* the importance of establishing real, effective and efficient mechanisms for responsibility and accountability in the United Nations;

5. *Recalls* its resolution 48/218 B, in particular paragraph 5 (*c*) of that resolution, as well as paragraph 15 of its resolution 59/272, and in that regard emphasizes the role of the Independent Audit Advisory Committee in ensuring the operational independence of the Office of Internal Oversight Services;

6. *Emphasizes* that the approval, change and discontinuation of legislative mandates are the exclusive prerogative of intergovernmental legislative bodies;

7. *Stresses* that the Office of Internal Oversight Services shall not propose to the General Assembly any change in the legislative decisions and mandates approved by intergovernmental legislative bodies;

8. *Emphasizes* that the recruitment and promotion of staff of the Office of Internal Oversight Services shall be carried out in accordance with the provisions of the Charter of the United Nations, the relevant resolutions and decisions of the General Assembly and the Staff Regulations and Rules of the Organization, taking into account Article 101, paragraph 3, of the Charter;

## I

## Establishment of the Independent Audit Advisory Committee

1. *Approves* the terms of reference for the Independent Audit Advisory Committee, as well as the criteria for its membership, as contained in the annex to the present resolution;

2. *Decides* to review the terms of reference of the Independent Audit Advisory Committee at its sixty-fifth session;

3. *Also decides* to appropriate 282,800 United States dollars under section 1, Overall policymaking, direction and coordination, 45,000 dollars under section 28D, Office of Central Support Services, and 6,700 dollars under section 35, Staff assessment, to be offset by a corresponding amount under income section 1, Income from staff assessment, of the programme budget for the biennium 2006-2007;

## II

## Revised estimates relating to the programme budget for the biennium 2006–2007 for the Office of Internal Oversight Services

1. *Endorses* the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 17 of its report[4] to convert to established posts nine posts for the Audit Division of the Office of Internal Oversight Services and sixteen posts for the Investigations Division, and requests the Secretary-General to report to the General Assembly in the context of the programme budget for the biennium 2008-2009 on the functions, structure and work processes of the Investigations Division with a view to strengthening the investigation function;

2. *Approves* the transfer of management consulting posts, and notes that the incumbents carrying out the functions should not be disadvantaged by virtue of the transfer;

3. *Decides* to appropriate 601,400 dollars under section 28A, Office of the Under-Secretary-General for Management, to be offset by a corresponding reduction under section 29, Internal oversight, of the programme budget for the biennium 2006–2007;

**III**

**Funding arrangements for the Office of Internal Oversight Services**

1. *Notes* that the level of resources needed to strengthen the Office of Internal Oversight Services is related to the strength of the internal controls of the Organization;

2. *Requests* the Secretary-General to establish a robust and effective internal control framework, including a mechanism of enterprise risk management, and to include in his report on enterprise risk management and the internal control framework proposals to strengthen the Office of Internal Oversight Services, in close cooperation with the Office;

3. *Also requests* the Secretary-General, therefore, to submit to the General Assembly at its sixty-second session revised funding arrangements for the Office of Internal Oversight Services, bearing in mind the recommendation of the Advisory Committee on Administrative and Budgetary Questions in paragraphs 31 to 40 of its report;[4]

4. *Urges* the governing bodies of the United Nations funds and programmes receiving services from the Office of Internal Oversight Services to address the issue of the funding arrangements of the Office in the light of the views of the Office and the funds and programmes.

*104th plenary meeting*
*29 June 2007*

## Annex

## Terms of reference for and criteria for membership in the Independent Audit Advisory Committee

### I. Terms of reference

**Role**

1. The Independent Audit Advisory Committee, as a subsidiary body of the General Assembly, serves in an expert advisory capacity and assists the Assembly in fulfilling its oversight responsibilities.

**Responsibilities**

2. The responsibilities of the Committee are:

**General**

(*a*) To advise the General Assembly on the scope, results and effectiveness of audit as well as other oversight functions;

(*b*) To advise the Assembly on measures to ensure the compliance of management with audit and other oversight recommendations;

**Internal oversight**

(*c*) To examine the workplan of the Office of Internal Oversight Services, taking into account the workplans of the other oversight bodies, with the Under-Secretary-General for Internal Oversight Services and to advise the Assembly thereon;

(*d*) To review the budget proposal of the Office of Internal Oversight Services, taking into account its workplan, and to make recommendations to the Assembly through the Advisory Committee on Administrative and Budgetary Questions; the formal report of the Independent Audit Advisory Committee should be made available to the Assembly and to the Advisory Committee on Administrative and Budgetary Questions prior to their consideration of the budget;

(*e*) To advise the Assembly on the effectiveness, efficiency and impact of the audit activities and other oversight functions of the Office of Internal Oversight Services;

**Management of risk and internal controls**

(*f*) To advise the Assembly on the quality and overall effectiveness of risk management procedures;

(*g*) To advise the Assembly on deficiencies in the internal control framework of the United Nations;

**Financial reporting**

(*h*) To advise the Assembly on the operational implications for the United Nations of the issues and trends apparent in the financial statements of the Organization and the reports of the Board of Auditors;

(*i*) To advise the Assembly on the appropriateness of accounting policies and disclosure practices and to assess changes and risks in those policies;

**Other**

(*j*) To advise the Assembly on steps to increase and facilitate cooperation among United Nations oversight bodies.

**Membership**

3. The Committee shall comprise five members, no two of whom shall be nationals of the same State, appointed by the General Assembly on the basis of equitable geographical representation, personal qualifications and experience.

**Meetings and reporting**

4. The Committee may adopt its own rules of procedure, which shall be communicated to the General Assembly. The Committee shall meet up to four times a year, in coordination with the relevant activities of the United Nations and the

Assembly and in accordance with Assembly resolutions on the pattern of conferences. The Committee shall work on the basis of consensus. Any three members of the Committee shall constitute a quorum.

5. The Committee shall submit an annual report to the General Assembly containing its advice. The Committee shall also report key findings and matters of importance to the Assembly at any time. The Chairperson of the Committee shall attend hearings to respond to questions on the activities and findings of the Committee.

**Conditions of service**

6. The members of the Committee shall receive a per diem and shall be reimbursed for travel expenses incurred to attend the sessions of the Committee.

7. The members of the Committee shall be appointed and shall serve for three years, and can be reappointed for a second and final term of three years, with the exception of two of the initial five members of the Committee, who shall be appointed by drawing of lots to serve for four years.

**Review of the terms of reference**

8. The terms of reference and mandate of the Committee shall be subject to review by the General Assembly.

**Secretariat support**

9. The Committee shall be supported by a dedicated secretariat that will operate with autonomy similar to that of the secretariats of the Advisory Committee on Administrative and Budgetary Questions and the International Civil Service Commission.

## II. Criteria for membership

**Experience, qualifications and independence**

10. All members of the Committee shall reflect the highest level of integrity and shall serve in their personal capacity, and they shall not seek or receive instructions from any Government in performing their duties. They shall be independent of the Board of Auditors, the Joint Inspection Unit and the Secretariat and shall not hold any position or engage in any activity that could impair their independence from the Secretariat or from companies that maintain a business relationship with the United Nations, in fact or perception.

11. All members of the Committee must have recent and relevant senior-level financial, audit and/or other oversight-related experience. Such experience should reflect, to the extent possible:

(*a*) Experience in preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues faced by the United Nations, including an understanding of relevant accepted accounting principles;

(*b*) An understanding of and, if possible, relevant experience in the inspection, monitoring and evaluation and investigative processes;

(*c*) An understanding of internal control, risk management and procedures for financial reporting;

(*d*) A general understanding of the organization, structure and functioning of the United Nations.

12. Former senior United Nations Secretariat officials shall not be eligible for appointment to the Committee for five years following their separation from service. The members of the Committee shall not be eligible for appointment in the Secretariat for five years following the expiry of their terms.

**Identification and selection**

13. Members of the Committee shall be nominated by Member States and shall be appointed by the General Assembly, preferably from a compendium of at least ten suitably qualified candidates, with due regard being paid to equitable geographic representation. Before nominating candidates, Member States are recommended to evaluate their candidates and attest to their qualifications on the basis of paragraph 11 above on the criteria for membership in the Committee through consultation with an international organization with relevant expertise in the functions performed by audit and oversight organizations, such as the International Organization of Supreme Audit Institutions, and to make this information available to Member States.